Joint letter to the High Representative of the Union for Foreign Affairs and Security Policy, and Vice President of the European Commission and the European Commissioners for Development and Trade

5 December 2013

Dear Catherine Ashton, Andris Piebalgs and Karel de Gucht,

First, we very much welcome the opportunity to regularly discuss "policy coherence for development" (PCD) during Foreign Affairs Council (DEV) meetings, in particular during the upcoming meeting that will be held on December 12th. But whilst substantial progress has been made over the past years, we believe more can be done to mainstream PCD across non-development policies, notably across trade policies. We would like also to take the opportunity to thank you for the organization of the next Informal Meeting of EU Experts on Economic Partnership Agreements (EPAs) in January. In this context, with the EPAs currently being negotiated between the EU and ACP regions precisely conceived as both trade and development tools, we want to highlight that the negotiations between the EU and ACP regions are at a critical stage for us all to be constructively supportive in pursuit of our joint objectives.

As you know, our States have always supported development-oriented EPAs. Based on a shared commitment to a trade and development partnership between the EU and the ACP countries and regions, EPAs will promote regional integration and integration into the world economy, and enhance predictability and secure legal certainty. We remain convinced that these gradual and asymmetrical trade liberalization agreements, negotiated on a regional basis, and coupled with targeted co-operation and assistance to help ACP countries implement them, could have a significant positive impact on our partner countries.

Yet, despite much appreciated efforts from the Commission and our ACP partners, the current situation raises concerns. The deadline for the ratification of the interim EPAs, now set for October 1st 2014 by EU regulation N° 527/2013, is getting closer. Meanwhile, regional EPA negotiations continue to face significant difficulties. As a result, some non-LDC ACP countries could lose substantial trade preferences. Therefore, it is increasingly urgent that the negotiations of regional EPAs are swiftly concluded to avoid either weakening the regional integration processes in our partner countries or the scenario that some countries could lose trade preferences.

We thank the Commission for the efforts it has recently shown to try to accommodate some of the concerns of our partners in the regional negotiations. However, whilst the number of contentious and outstanding issues is narrowing down, differences on the ones remaining are still significant. In order to ensure the successful and rapid conclusion of these negotiations, further flexibilities should now be considered by the EU.

Experts have identified some areas where further flexibilities could be introduced. For instance:

- we should reconsider the particularly strict interpretation of Article XXIV of the GATT, according to which ACP regions have to liberalize at least 80% of their trade with the EU for EPAs to be WTO compatible. In other words, the Commission could consider a lower level of liberalization from some of our ACP regions;
- we should soften our position on the transition periods required for liberalization: ie. transition periods longer than 15 years should be considered by the Commission, where justified;
- we should consider, for all regions, allowing a case by case approach on the issue of export taxes;
- last, but not least, the priorities set for the NIP and the RIP currently being defined as part of the 11th EDF programming should explicitly take into account the need for EPA accompanying measures, particularly in regions where EPA development programs have been designed, whilst we should also encourage efforts to leverage other sources of financing, including from the private sector.

These questions can be further discussed at the technical level, namely during the expert meeting foreseen on the 22nd of January. However, what is important to keep in mind is that a failure to rapidly conclude regional agreements may have political implications that we, as Ministers, cannot ignore.

The EU has always been a strong supporter of regional integration processes in Africa. It also acts as a global leader in implementing PCD commitments in policy-making. Successfully concluding development-friendly regional EPAs is a matter of credibility and of policy coherence. EPAs were primarily conceived as tools that go beyond trade matters to foster development and reinforce regional integration in our partners' regions. In addition, EPAs form an integral part of the development partnership and diplomatic relations between the EU and the ACP countries. Failure to show greater flexibility and to rapidly conclude the negotiations will have political consequences, including for the next EU-Africa summit in April 2014.

We trust that with increased political momentum, regional negotiations can be brought to a development-friendly conclusion. We therefore hope that we can all raise these considerations during discussions with our ACP partners. We believe this is essential in order to ensure a constructive dialogue in a climate of mutual understanding and trust.

Yours sincerely,

Mr Rasmus Helveg Petersen

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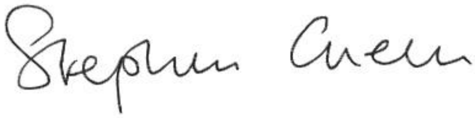
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